

**TEXAS HIGHER EDUCATION COORDINATING BOARD
Committee on Agency Operations**

**Wednesday, April 25, 2018
Board Room, 1st Floor
Room 1.170
11:00 a.m.
1200 East Anderson Lane, Austin, Texas**

The Committee on Agency Operations convened at 11:00 a.m. on April 25, 2018, with the following members present: John Steen; presiding; Fred Farias; Michael Plank; Stuart Stedman (Ex-Officio); and Annie Jones (Ex-Officio)

Members absent: Javaid Anwar; Ricky Raven

Other Board Members present: Arcilia Acosta

AGENDA ITEM	ACTION
I. Welcome and Committee Chair’s Opening Remarks	Chair John Steen called the meeting of the Committee on Agency Operations to order and announced that Mr. Raven was unable to attend the committee meeting today due to duties requiring his attention elsewhere and Mr. Anwar was unable to attend the committee meeting today due to illness. On a motion by Dr. Farias, seconded by Mr. Plank, the Committee excused the absence of Mr. Raven and Mr. Anwar. A quorum was met for this meeting.
II. Consideration of Approval of the Minutes from January 24, 2018, Committee Meeting	On a motion by Dr. Farias, seconded by Mr. Plank, the Committee approved the January 24, 2018, Agency Operations Committee meeting minutes.
III. Public Testimony on Agenda Items Relating to the Committee on Agency Operations	No action required.
IV. Agency Operations	
A. Consideration of adopting the staff’s recommendation to the Committee relating to the agency’s 2018 Customer Service Report	Ms. Linda Battles, Deputy Commissioner for Agency Operations and Communications/COO, presented this report to the Committee. On a motion by Dr. Farias, seconded by Mr. Plank, the Committee approved the agency’s 2018 Customer Service Report.

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B. Report on grants and contracts, including those exceeding \$1 million	No action required. Mr. Bill Franz, General Counsel was available for questions.
C. Update on the key initiatives recommended by NTT Data regarding the Agency Cyber Security Framework	Ms. Zhenzhen Sun, Assistant Commissioner for Information Solutions and Services, and Mr. John House, Information Security Officer, presented a progress report to the Board regarding the implementation of the key cybersecurity initiatives recommended by NTT Data, a vendor contracted by the Department of Information Resources. This item did not require any action.
D. Consideration of adopting the Commissioner's recommendation to the Committee relating to amendments to Chapter 1, Subchapter E. Sections 1.114 and 1.115 concerning the student complaint procedure	On a motion by Mr. Plank, seconded by Dr. Farias, the Committee approved the amendments to the rules concerning the student complaint procedure.
V. Finance	
A. Consideration of adopting the Commissioner's recommendation to the Committee relating to the agency's operating budget for fiscal year 2019	Mr. Ken Martin, Assistant Commissioner for Financial Services/CFO, presented this item to the Committee. On a motion by Dr. Farias, seconded by Mr. Plank, the Committee approved the Fiscal Year 2019 agency's operating budget.
B. Update to the Committee regarding the issuance of an RFQ and the resulting selection and award of Bond Counsel to perform legal services for the agency related to the student loan bond program	Mr. Ken Martin, Assistant Commissioner for Financial Services/CFO, presented this item to the Committee. This item did not require any action.
C. Update to the Committee regarding the issuance of an RFP and the resulting selection and award of a Financial Advisor to provide support for the agency's student loan bond issuance	Mr. Ken Martin, Assistant Commissioner for Financial Services/CFO, presented this item to the Committee. This item did not require any action.
D. Review of the Fiscal Year to Date 2018 Financial Report to the Board	Mr. Ken Martin, Assistant Commissioner for Financial Services/CFO presented this item to the Committee. This item did not require any action.

AGENDA ITEM	ACTION
VI. Internal Audit	
A. Discussion of Statements on Auditing Standards No. 114, The Auditor’s Communication with Those Charged with Governance	Mr. David Harwood with KPMG, LLP presented this item to the Committee. This item did not require any action.
B. Discussion of the State of Texas Federal Portion of the Statewide Single Audit for the Fiscal Year Ended August 31, 2017, Report Number 18-314 issued March 2018 by the Texas State Auditor’s Office	Ms. Susan Warren with KPMG, LLP presented this item to the Committee. KPMG, LLP performs this audit under contract with the Texas State Auditor’s Office. This item did not require any action.
C. Update on Internal Audit Reports and Activities	Mr. Mark Poehl, Director of Internal Audit and Compliance presented this item to the Committee. This item did not require any action.
VII. Compliance Monitoring	
A. Update on Compliance Monitoring Reports and Activities	Mr. Mark Poehl, Director of Internal Audit and Compliance presented this item to the Committee. This item did not require any action.

With no further business, on a motion by Mr. Plank, seconded by Dr. Farias, the meeting adjourned at approximately 12:55 p.m.